

BANKERS ARE URGED
TO RESTRICT CREDIT

Federal Reserve Bank Inaugurates Plan for Further Economy.

WAR NEEDS UNAFFECTED

Borrowers Asked to Keep Demands Within Minimum Essential Requirements.

The greatest restriction of credit ever attempted in the United States has been set in motion by the Federal Reserve Bank of New York, according to an announcement yesterday. The bank hopes to get as big an actual saving of credit as the saving already effected by Herbert C. Hoover in food and other commodities. At the same time the bank announced that nothing is to be done to cause undue embarrassment to borrowers or affect necessary credits.

For some weeks bankers of this city have made it evident that speculation in stocks and bonds would be discouraged by every means within their power and Wall Street activity has been at a low ebb. The reserve bank's statement made it plain yesterday that an even more drastic curtailment was contemplated.

Conservation and saving of credit is to be the sole policy of bankers, if the reserve bank's recommendation is carried out. A concerted campaign of action and education in order to develop a spirit of economy in credit transactions is being stimulated by the Federal Reserve Bank. It means out to bankers of this reserve district the necessity and importance of conserving credit in each of these three ways:

1. Reduce a gradual reduction of loans now carried for non-productive or non-distributive purposes.

2. Reduce gradually the amount of credit granted for purposes not clearly necessary for the prosecution of the war or the health and necessary comfort of the people.

3. Educate borrowers of all classes to keep their demands for credit down to the minimum.

To board of directors of the Federal Reserve Bank on July 31 unanimously adopted the following minute, made public yesterday, which is a history making document:

"It is clear that the increasing volume of Government financing makes necessary far more uniform and consistent action on the part of the banks of the country to conserve and save credit than has heretofore been undertaken. The Federal Reserve Bank accordingly on July 5 addressed a letter to all banks and trust companies requesting them to exercise a reasonable discretion to restrict credits which are clearly not needed for the prosecution of the war or for the health and necessary comfort of the people; and at the same time asked the Federal Reserve banks in every practicable way to bring about a better understanding of the necessity for the conservation of credit; therefore be it

Resolved, That the directors of the Federal Reserve Bank of New York, in full sympathy with the views of the board, hereby direct the officers of the bank, in such ways as may be appropriate, to express to the banking institutions of this district the importance and necessity of conserving credit.

"By endeavoring to secure such gradual reduction as may be practicable of loans now carried for non-productive or non-distributive purposes.

"By gradually reducing the amount of credit granted for purposes not clearly necessary for the prosecution of the war or the health and necessary comfort of the people; and

"By educating borrowers of all classes to keep their demands for credit down to the minimum.

"Such a concerted campaign of action and education by the banking institutions of this district will surely lead to a spirit of economy in credit transactions, as well as to an actual saving of credit comparable to the saving already effected in food and other commodities, and will enable the Government to command the credit thus saved and use it directly and with full force for the winning of the war.

"It is of the highest importance, however, that nothing should be done to cause undue embarrassment to borrowers or affect necessary credits."

NEW YORK CITY BONDS.

Form, Date and Maturity.	Yield.	Ask.	Bid.
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75
City of New York, 1918-1920.	4.50	100.00	99.75

NEW YORK STATE BONDS.

Form, Date and Maturity.	Yield.	Ask.	Bid.
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75
State of New York, 1918-1920.	4.50	100.00	99.75

RAILWAY EQUIPMENT BONDS.

Form, Date and Maturity.	Yield.	Ask.	Bid.
Atlantic Coast Line, 1918-1920.	4.50	100.00	99.75
Atlantic Coast Line, 1918-1920.	4.50	100.00	99.75
Atlantic Coast Line, 1918-1920.	4.50	100.00	99.75
Atlantic Coast Line, 1918-1920.	4.50	100.00	99.75
Atlantic Coast Line, 1918-1920.	4.50	100.00	99.75
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McADOO TO BE A DEFENDANT.

Director-General a Party in Railroad Cases, Commission Rules.

WASHINGTON, Aug. 5.—Director-General of Railroads McAdoo must be made a party defendant in cases brought before the Interstate Commerce Commission contesting railroad rates which have been changed since the Government assumed control of the transportation lines, the commission ruled today.

It also decided that the Director-General might be considered a proper defendant in cases involving matters arising before the control was assumed.

U. S. OFFERS HELP IN CROP MOVEMENTS

Will Grant Loans to Cover Advances by Banks to Farmers and Merchants.

WASHINGTON, Aug. 5.—To help finance crop movements, the War Finance Corporation announced today it would make advance payments to banks for loans to cover advances by the banks to farmers and merchants for harvesting and marketing wheat and other crops. Loans will be limited to four months and carry interest at 6 per cent. per annum.

W. P. G. Harding, acting as managing director of the War Finance Corporation, said the Federal Reserve Bank of San Francisco, Minneapolis, Dallas, Kansas City, St. Louis, Atlanta and Richmond to accept from member and non-member banks applications for loans to be transmitted to the War Finance Corporation.

Advances will be made up to 75 per cent of the face value of loans to farmers or merchants up to 100 per cent, provided additional collateral amounting to one-third of the loan is furnished by the banks. The security demanded by the finance corporation must be notes "revolving loans" which have been made by the applying bank for crop moving purposes or notes extending loans which have been made previously to farmers and merchants, provided a statement is made by the applying bank that the proceeds of the advance will be used for crop moving purposes.

The orderly movement of crops, said Mr. Harding's telegram, "is necessary to the conduct of the war and while it is not the intention of the War Finance Corporation to engage in banking operations generally, it is where necessary to supplement the facilities afforded by Federal reserve banks for crop moving."

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COFFEE MARKET.

Market for coffee futures was dull and prices were unimportant yesterday.

Market for coffee futures was dull and prices were unimportant yesterday. It opened at a decline of 2 points and closed 1 point net lower to 1 point higher. The market was quiet, with moderate liquidation in the September position, with a few switching operations from September to May at 68 cents and a few lots in May Market continued inactive at present to attract fresh outside business either way.

Brazilian markets showed practically no change in general conditions. Sao Paulo weather was reported fine in all five districts, with minimum temperatures ranging from 48 to 51 degrees. The uncertainty in Brazilian exchange accounts in measure for the lack of firm offers reported here during the day. Brazilian coffee agent for the United States announced to \$55.000 bags, with the lowest price at \$5.00 per bag, and now slightly behind that of a year ago, being 1,954,895 bags, compared with 1,666,018 last year and 1,350,988 two years ago.

Santos reported a clearance of 41,000 bags for the United States on August 3. Rio cleared no coffee for the country during the week, while Santos cleared a total of 99,000 bags. Local spot market was dull and unchanged at 8 1/2c for Rio 75 and 11 1/2c for Santos.

Range of prices: Open. High. Low. Close. August 5. 8.50 8.50 8.50 8.50. September 8.50 8.50 8.50 8.50. October 8.50 8.50 8.50 8.50. November 8.50 8.50 8.50 8.50. December 8.50 8.50 8.50 8.50. January 8.50 8.50 8.50 8.50. February 8.50 8.50 8.50 8.50. March 8.50 8.50 8.50 8.50. April 8.50 8.50 8.50 8.50. May 8.50 8.50 8.50 8.50. June 8.50 8.50 8.50 8.50. July 8.50 8.50 8.50 8.50. August 8.50 8.50 8.50 8.50. September 8.50 8.50 8.50 8.50. October 8.50 8.50 8.50 8.50. November 8.50 8.50 8.50 8.50. December 8.50 8.50 8.50 8.50. January 8.50 8.50 8.50 8.50. February 8.50 8.50 8.50 8.50. March 8.50 8.50 8.50 8.50. April 8.50 8.50 8.50 8.50. May 8.50 8.50 8.50 8.50. June 8.50 8.50 8.50 8.50. July 8.50 8.50 8.50 8.50. August 8.50 8.50 8.50 8.50. September 8.50 8.50 8.50 8.50. October 8.50 8.50 8.50 8.50. November 8.50 8.50 8.50 8.50. December 8.50 8.50 8.50 8.50. January 8.50 8.50 8.50 8.50. February 8.50 8.50 8.50 8.50. March 8.50 8.50 8.50 8.50. April 8.50 8.50 8.50 8.50. 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